

# Tiny Home Retail

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Tiny homes on wheels are exploding in popularity all around the world. Television shows and YouTube channels dedicated to tiny homes have garnered cult followings. Many people view purchasing or constructing a tiny home as a viable option to gain freedom and escape the perceived trap of renting or home ownership. There seems to be a market for these homes, however, after research I found purchasing one can be extremely expensive. Therefore, I decided I would contact manufacturers in China and enter a partnership where I would attempt to sell their tiny homes for a profit. I created a website and Facebook and Instagram accounts around the tiny home, and finally, I ran ads for the website through social media. My profit margin would be twenty five percent, for a total of \$7,500, not including ad spend. With 165 dollars in ad spend, I attracted 10,354 visitors to my website and nineteen subscribers to my newsletter.

**Key Words:** Tiny Homes on Wheels, Shopify, Alibaba, Facebook Ads Manager, Pixel

## Introduction

Entrepreneurship is a passion of mine. This year I built two Ecommerce sites and after a few months of barely breaking even I decided to scrap them. From building these two sites the idea for my senior project came to fruition. For my Ecommerce sites I sourced the products from Alibaba, which is a website where manufacturers in China can list their products. I regularly checked prefab buildings on Alibaba because I am also interested in prefab construction. This led me to the idea of creating an Ecommerce store to market and sell these prefab buildings for a profit. I decided to focus on tiny homes on wheels because I didn't want to have to deal with the complications of permitting.

## Process

I used the same exact process for my senior project as I did with my Ecommerce sites. I first contacted manufacturers from Alibaba who build tiny homes on wheels. I asked for prices and shipping information. My decision on which tiny home to promote came down to which manufacturer had the best price for the best quality tiny home. Most manufacturers had either horrible pictures or just pictures they found from Pinterest and Google images, therefore, the manufacturer who had the most pictures on the tiny home they actually sell was also a huge factor in who I chose. Ningbo Deepblue SmartHouse Co. was the manufacturer that I decided to partner with. They are a Gold Supplier and have Trade Assurance on Alibaba, which helps ensure I won't be defrauded. They have an annual output of \$10-50 million a year. The tiny home I decided on was priced at \$22,500, which includes shipping to the port of Ningbo, China. The buyer then assumes all the shipping and transportation costs from the port of Ningbo to the desired final destination. I decided to price the tiny home on my website for \$30,000 dollars and have a shipping price of \$2,500. My shipping price only covers shipping to the port closest to the customer. This would give me a profit margin of twenty five percent. If I spend one thousand dollars in ads before I get my first purchase my profit margin would be twenty two percent.

## Shipping policy

\$2,500 is the CIF price, which covers the Insurance and Freight shipping costs by sea to your local port only, so it will take around 80 days for shipping. The price does not cover the shipping agent fee at your end.

*Figure 1: Shipping Policy Page*

Once I decided on the manufacturer and the tiny home I wanted to promote, I created a website on Shopify. I decided on the store name Alta Tiny Homes and purchased the domain: altatinyhomes.com. I also bought an (800) phone number through GoDaddy that connects directly to my cell phone so potential customers can have a personal connection with someone before making a big purchase. I also created a payment plan through Partial.ly, which is a Shopify extension. My financing plan was limited based on my lack of capital and inability to run credit checks.

## Financing

We offer Financing for the Alta Tiny Home. Our current payment plan includes a \$5,000 down payment with a monthly payment of \$6,825 for four months. If not satisfied with this financing option contact [info@altatinyhomes.com](mailto:info@altatinyhomes.com) and we can arrange a personalized payment plan for you. Click the partial.ly button below to start the process.



Figure 2: Financing Information Page

Once I created the store I made Facebook and Instagram accounts for the brand.

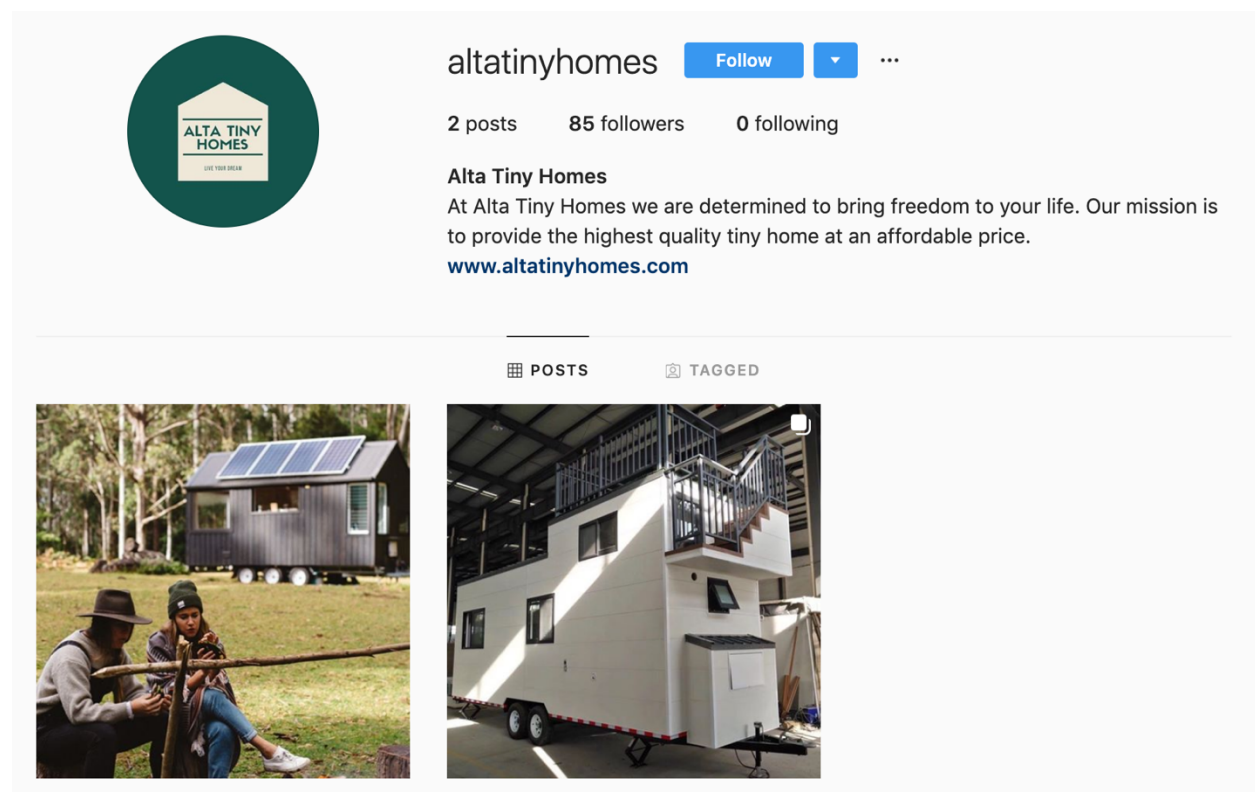


Figure 3: Alta Tiny Homes Instagram Account



Figure 4: Alta Tiny Homes Facebook Account

Now it was time to run ads. I made an ad account in Facebook Ads Manager named Alta Tiny Homes. Once I made the ad account I had to put the Facebook Pixel in my website's code. This allows Facebook to track who sees the ads and then interacts with the website. Without the pixel code you cannot target specific audiences who are more engaged with your website than other audiences. The following is a walk through my website [www.altatinyhomes.com](http://www.altatinyhomes.com).

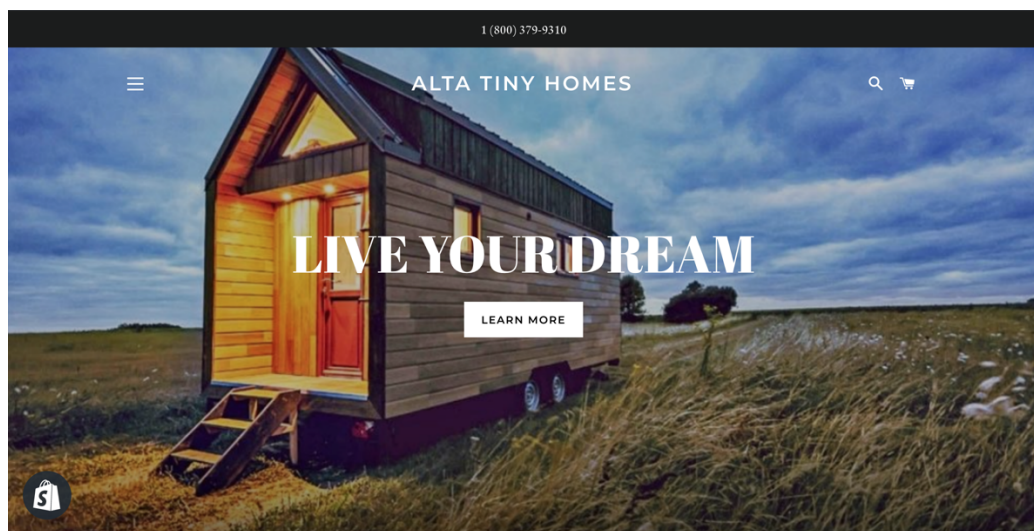


Figure 5: First Section of Home Page (1/3)



## OUR MISSION

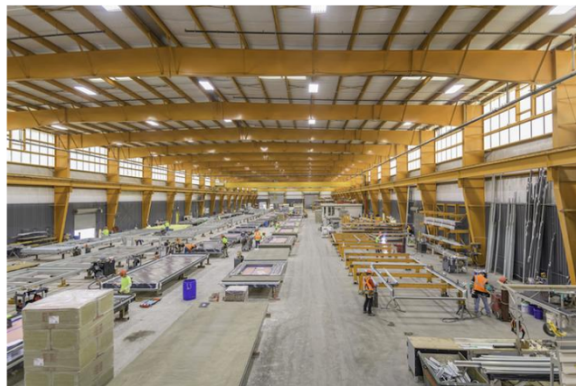
Dream of living mortgage free? Dream of living a minimalist lifestyle? Here at Alta we are determined to bring that dream to reality. Our mission is to provide the highest quality tiny home at an affordable price.

[LEARN MORE](#)

## OUR PROCESS

Our Alta Tiny Home on wheels is entirely built in our factory, delivered to your doorstep fully furnished, ready to plug directly into existing utilities. We vigorously test every home ensuring building code compliance. We are currently certified for North America, Australia/New Zealand, and the United Kingdom for steel structures.

[LEARN MORE](#)



## Customization

We offer design and build services. Contact us at [info@altatinyhomes.com](mailto:info@altatinyhomes.com) or give us a call at 1-800-379-9310 for more information.

*Figure 6: Second Section of Home Page (2/3)*



## Alta Tiny Home



Alta Tiny Homes — \$30,000

### Subscribe to our newsletter

Receive exclusive access to discounts and newest models.

Your email

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Powered by Shopify

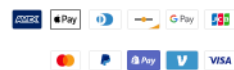


Figure 7: Third Section of Home Page (3/3)

To save space I will display most of the pictures I used on the product page in a collage, followed by the contents of the rest of the product page.



*Figure 8: Tiny Home Pictures*

## Alta Tiny Homes

~~\$45,000.00~~ **\$30,000.00**

[Shipping](#) calculated at checkout.

ADD TO CART

Buy with **PayPal**

[More payment options](#)

If you want to learn more about our financing options click this link: [FINANCING](#)

The Alta Tiny Home is strategically designed to utilize the space available. This allows for ample room to cook and lounge. The built-in staircase allows for easy access to the loft, no need for dangerous climbs up a ladder every morning and night! Enjoy the view with some friends on the generously sized rooftop deck. The bathroom is complete with a shower, toilet, and sink. Contact us at [info@altatinyhomes.com](mailto:info@altatinyhomes.com) or give us a call at [1-800-379-9310](tel:1-800-379-9310) with any questions!

Specifications:

- Measurements: Length 28.5', Width 7.7', Height 13'
- Painted steel trailer with electric brakes
- Steel Structure
- Steel Sheet Roof
- Cladding - Decorated metal insulation board
- Wall & Ceiling - 8mm wall panel
- 0.5mm vapor barrier
- Insulation - R2.5 Glasswool
- Laminated wood floor (9mm HDF)
- Bathroom floor - PVC
- Double Glazed Aluminium Entrance Door
- Double Glazed Aluminium Windows
- Stainless Steel Double Bowl Sink
- Hot/Cold Water Mixer for Kitchen Faucet
- Quartz Stone Kitchen Counters
- Ceiling and Wall Lights
- LED Tailight
- Electric Box
- Fresh Water Tank

Do you want a grey water tank, a black water tank, and/or a waterless toilet? We also provide solar panels for an additional cost. Let us know and we would be pleased to accommodate your custom requests.

We try our best to make your experience with us a positive one and therefore we stand behind everything we sell.

This item comes with a **1 Year Manufacturers Warranty**.

Our general return or exchange policy: Any refund or exchange should be made within 30 days after item is received. Buyer will need to pay for the shipping cost for the exchange or return. All items shipped are insured. Should an item arrive damaged due to shipping, claims should be made within 48 hours of receipt. All original packing materials, including peanuts, bubble wrap, box, shipping labels, etc., should be present at the time of inspection by the shipping claim.

**Shipping:** \$2,500 is the CIF price, which covers the Insurance and Freight shipping costs by sea to your local port only, so it will take around 80 days for shipping. The price does not cover the shipping agent fee at your end.



Payment plans are available through Partial.ly

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Powered by Shopify



Figure 9: Rest of Product Page



May 23, 2019

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## WHY YOU SHOULD JOIN THE TINY HOUSE MOVEMENT.

Reason 1 MONEY! Downsizing into a tiny home can save you TONS of money. Heating and cooling costs are very minimal in a tiny home. General maintenance costs will also be significantly lower in a tiny home than a standard home. Reason 2 Environmentally Friendly! A tiny home uses far fewer resources than a traditionally sized home. A tiny home uses far less material to construct, less energy to heat and cool, and occupies less land. Joining the tiny house movement can significantly reduce your footprint, helping preserve our precious Earth. Reason 3 TIME! Instead of sweeping, cleaning, and doing the mundane but essential chores that come with a traditional home, with a tiny home, you can spend this time doing...

[Continue reading →](#)

*Figure 10: Blog Page*

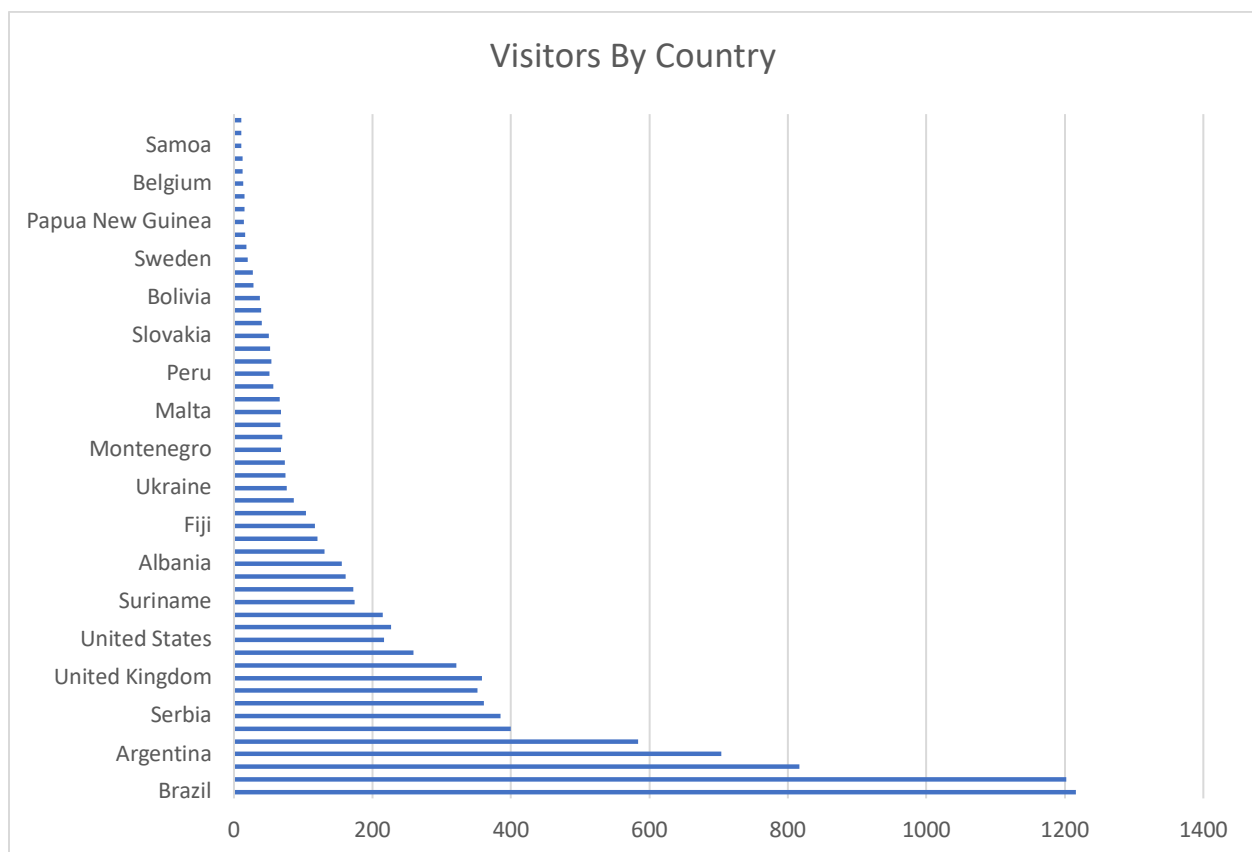


I had one ad campaign with six different ad sets. Each ad set had a specific interest. The interests I chose were Nomad, Houzz, Pinterest, Prefabricated Home, HGTV, and Minimalism. I was surprised that tiny homes, tiny home on wheels, tiny house movement, etc., were not interests I could target. This made choosing interests harder than I initially thought they were going to be. Every ad set targeted Europe, North America, Oceania and South America. I chose these regions because that is where the manufacturer's main markets were. The age range in every ad set was twenty three to sixty five. I set my campaign at a budget of twenty five dollars per day. I set my campaign on campaign budget optimization, which uses an algorithm that allocates a higher percentage of your budget to your better performing ad sets. My advertisements were displayed on both Instagram and Facebook.

## Results


I ran ads from May 22<sup>nd</sup> to May 28<sup>th</sup>. I spent a total of \$165.83. This resulted in reaching 165,407 people. From this ad my website link was clicked 11,834 times. On average, a single link click costed me one cent. My best performing ad set by a long shot was Pinterest. Facebook used the majority of my budget, a total of \$87.35, on that ad set. That single ad set gave me 6,529 link clicks.

I had 10,352 visitors to my website. Most of my visitors were from South America. I believe that the Facebook algorithm started allocating a higher percentage of the budget to South America due to how cheap it is to target ads to that region. This presented a problem due to the language barrier. I got a few calls from potential customers who could only speak Spanish. Since I don't speak a word of Spanish all I could say was, "email." I also got nineteen subscribers to my newsletter.




*Figure 11: Visitors to Website by Country*


My Facebook ad had 297 total positive reactions, eight comments and forty six shares. My Instagram ad got 474 likes and two comments.



**Alta Tiny Homes**  
 Written by Shane Simpson [?] · May 21 at 3:18 PM · 🌐

 Like Page
 ⋮


Introducing the Alta Tiny Home. Built entirely in our factory and shipped to a port closest to you! We are determined to bring you the freedom you always wanted, without breaking the bank.




ALTATINYHOMES.COM

**Alta Tiny Homes**  
 Beautifully crafted affordable tiny homes on wheels.


Learn More








 297


8 Comments 46 Shares


Figure 12: Facebook Ad


 | Instagram
 












**altatinyhomes**
⋮


 altatinyhomes Introducing the Alta Tiny Home. Built entirely in our factory and shipped to a port closest to you! We are determined to bring you the freedom you always wanted, without breaking the bank.  
 6d


 mamuvelarde @casarellatiny @casarellaoficial  
 2d 1 like Reply


 glauber\_vitor My dream 🍀  
 14h 1 like Reply

474 likes

6 DAYS AGO

Add a comment...

Post

Figure 13: Instagram Ad

My Facebook page has 159 likes and 166 follows. I got three Facebook messages from people interested in the tiny home. I got one email from someone interested in Greece. I also got three phone calls all from people who only spoke Spanish. On Instagram I got 85 followers, 30 likes on my (non-promoted) first post and 16 on my second (non-promoted) post. Facebook outperformed Instagram on reach and link clicks (see figure 14). Although I targeted both men and women, more men were reached by this ad. The best performing age range was twenty five to forty four. These demographic statistics are shown in figure 15.

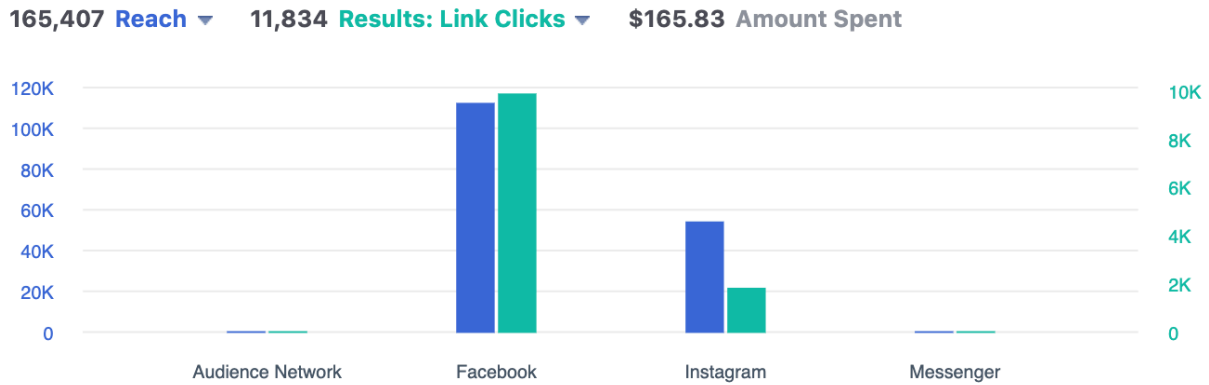


Figure 14: Placement Analytics

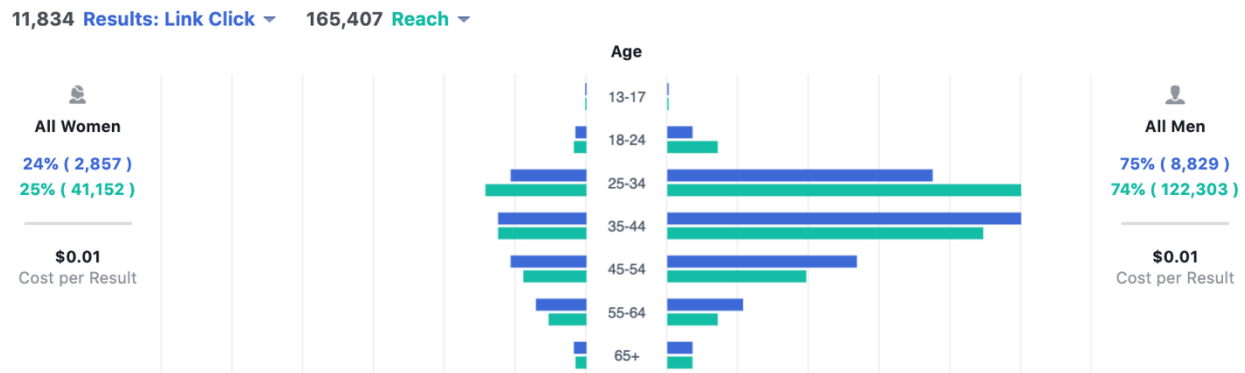


Figure 15: Demographic Analytics

## What's Next

If I had more access to capital I believe I could make this a viable business. If I had \$30,000 dollars I would go to a manufacturer and design my own tiny home. I would buy this tiny home and ship it to myself. I would take professional pictures and use a Matterport for a virtual tour. The virtual tour and professional pictures would be used on my website. By actually ordering a tiny home from a manufacturer I would know the process thoroughly and be able to answer any questions from potential customers. I would also target my ads differently. Since I already have data on the type of audiences that are more inclined to interact with my ad, I can use a lookalike audience. I would also only target the United States. This solves the language barrier issue and by then I'll be familiar with shipping such a large product from China to the United States, therefore, I will be more adept at facilitating that transaction and dealing with questions, customs, and so forth. In order to get a return on the initial investment I made when purchasing the tiny home, I would either try to sell it or find land where I can rent it out. I think this business model is also suitable for small prefab buildings on foundations.

## Reflection

This senior project was a lot of fun for me. Every manufacturer that I contacted was interested in working with me. However, I wish there were better pictures that I could display on my website. One issue I was not expecting was the lack of interests I could target. As I have done social media ads before, I thought tiny homes, tiny homes on wheels, tiny house movement, etc., were going to be interests that I could target. As a result, I chose some interests that performed very poorly, thus costing me money. I was pleasantly surprised on how well my social media platforms gained traction. Due to people sharing my posts on Facebook I got a lot of organic traffic, which is really hard to do with Ecommerce sites. 159 page likes and 166 page follows on Facebook is a great start.

The Shopify subscription costs thirty dollars a month and the domain costs fourteen dollars a year. Therefore, I spent a total forty four dollars to get the website up and running. The GoDaddy phone number costs ten dollars a month, however, I got a one month free trial. With \$165 in ad spend, my total expenditure for this project was \$209. I would consider this to be extremely small startup costs, especially with the potential big payoff. However, as I said earlier, I believe it would take much more money to do this right. In my opinion, having professional, lifestyle pictures, coupled with a virtual tour, would be the essential for someone to actually buy one. I would also like to have the ability to run credit checks and provide financing for terms of up to thirty six months.

I believe that this could potentially turn into a prefab company if executed well. My goal with this is to design and purchase a prefab house from China and assemble it in the United States. I would then take the professional pictures and videos and use that for my website and marketing. I would either rent out my building or sell it to recoup the investment. I would probably only market to the United States. I would also use a mix of both Google and social media ads.

For this project, the possibility of someone actually purchasing a tiny home from me was extremely low. However, that wasn't my primary objective for this project. I wanted to see if this type of business model could potentially work. I also wanted to gauge the public's interest in this type of product. I had no intention of making this a theoretical site. Instead, I wanted it to a working, legitimate, and functional site, where someone could actually purchase a receive a tiny home from me.

I have recently found a website that is doing the exact same thing I'm attempting. They also sell shipping container homes and yurt homes. The website is <https://simpleterra.com/>. The tiny home they are selling is even from the same manufacturer. I did some research and found that they have 2,800 visitors a day and on the world site popular ranking they are listed at 327,662. For each product they have verified reviews. I know these reviews can't be faked because I used the same review extension for a previous Ecommerce site, and to have a verified review the person must actually have made a purchase. All of the pictures they use are from the manufacturers, this can be easily checked by scrolling Alibaba listings. The website has many of the technical information mine is missing, but does look slightly more messy. They also have a financing option, where you input your information and you can receive financing of up to thirty six months. They say they don't do a hard credit check, so that makes me think they have a system in place where they can find people's credit information on public records. I believe if I can model a lot of the information on their website, but also have a more aesthetically pleasing look, I have a business that could potentially work. There is also a trick with websites where you put "/collections/all?sort\_by=best-selling&page=1" after the website domain and you can find their best sellers. The tiny home was one of their worst selling products, while the shipping container homes was some of their best. This indicates that I should consider transitioning to container homes.

This project was a lot of fun for me. I was considering doing a case study on prefab homes until I came up with this idea. When I pitched the project, I wasn't expecting it to get the green light. Therefore, I want to thank my SME Dan Knight and SPD Phillip Barlow for letting me attempt this. Hopefully, one day in the future, this project or something similar can actually be a real and profitable business for me.